

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6446**

**BILL NUMBER:** HB 1266

**NOTE PREPARED:** Dec 19, 2012

**BILL AMENDED:**

**SUBJECT:** Tobacco Use by Prospective Health Care Employee.

**FIRST AUTHOR:** Rep. Mahan

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** The bill allows certain health care employers to base an employment decision on the prospective employee's tobacco use. The bill applies to licensed hospitals and health care service providers.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** The state may incur additional hiring costs for prospective employees, depending upon whether or not the state decides to utilize the provision in regards to employees that provide health care services. Many state agencies employ individuals that provide health care services as defined in the bill. These include:

- Services provided by athletic trainers, chiropractors, dental hygienists, dentists, physicians, nurses, optometrists, pharmacists/pharmacies/drug stores, physical therapists, podiatrists, psychologists, speech pathologists, or audiologists or services incidental to the furnishing thereof;
- Services provided as a result of hospitalization or services incidental to the furnishing thereof;
- Any other services or goods furnished for the purpose of preventing, alleviating, curing, or healing human illness, physical disability, or injury.

The bill does not cover any service provided by, from, or through a licensed health care facility in connection with any life care, founder's fee, or other type of prepaid fee contract for residency and health care in a retirement home, community, or facility for elderly persons.

The state does perform some limited tobacco use screening in the form of saliva tests for current employees

if those employees opt into the non-tobacco use agreement (which decreases the employee contribution towards state health care premiums). The cost for these tests is \$7.50 per person for the materials, lab testing, and report.

The Family and Social Services Administration (FSSA) operates six psychiatric hospitals that may be impacted. The Indiana Veterans' Home, operated by the Indiana Department of Veteran's Affairs would also be affected. The state hospitals, while not considered hospitals for purposes of this bill (as they are not licensed under IC 16-21), do provide health care services as defined in the bill. Hospitals and health care service providers that receive funds from the state may be impacted as well.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Local publicly owned hospitals as well as local health departments and other hospitals and health care providers that receive government funding may be impacted, depending upon policy decisions made by local governments.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** Local health departments, local government-owned hospital facilities, other government health care facilities.

**Information Sources:** Scott Zarazee, Indiana State Department of Health, [szarazee@isdh.in.gov](mailto:szarazee@isdh.in.gov); Keith Beesley, State Personnel Department, [kbeesley@spd.in.gov](mailto:kbeesley@spd.in.gov); <http://www.in.gov/dva/2352.htm>; <http://www.in.gov/fssa/dmha/4521.htm>; <http://www.state.in.us/isdh/reports/QAMIS/hosdir/wdirhos.htm>.

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